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President Linked to Secret Aid *Plan to Help Contras Reported Approved*

By Robert Parry
Associated Press

Facing a congressional cutoff of military aid to Nicaraguan rebels early last year, President Reagan approved a secret plan to replace CIA funds with assistance from American citizens and U.S. allies, according to current and former administration officials.

White House officials picked retired Army Maj. Gen. John K. Singlaub as the chief fund-raising contact and advised him how to structure the campaign within the confines of neutrality and other laws that bar U.S. citizens from supporting foreign wars, said the sources who insisted on anonymity.

White House spokesman Edward P. Djerejian refused to comment on Reagan's reported approval of the plan to go outside U.S. government channels to continue supplying the rebels fighting to overthrow Nicaragua's leftist government.

In the past, the White House has insisted that it "neither encourages nor discourages" the private fund-raising that sprang up after Congress, angered by the mining of Nicaragua's harbors by the Central Intelligence Agency, refused to continue military aid to the contras, or counterrevolutionaries, in the spring of 1984.

But government sources, including one senior administration official, described the behind-the-scenes White House role in organizing and advising the aid network as much more extensive than has been acknowledged.

The aid network, particularly a recent surge of arms and money from allied countries, has allowed the rebels to continue operations

during the 15-month cutoff of direct U.S. aid and, thus, circumvent congressional efforts to shut down the CIA-sponsored war. Rebel leaders now say they have enough weapons to arm a 30,000-man force, roughly double their current number.

Three congressional committees are reviewing whether White House National Security Council (NSC) officials violated a year-old ban against "directly or indirectly" aiding the rebels militarily.

But officials interviewed by The Associated Press maintained that the White House role in establishing the aid network had ended by Oct. 1, 1984, when that ban was enacted. Last July, Congress voted \$27 million in nonlethal aid to the rebels but maintained the ban on lethal U.S. assistance.

One source, familiar with the earlier program, said the "big three" countries that were expected to help the rebels were Israel, South Korea and Taiwan.

Representatives of those governments denied they helped the rebels. Other U.S. sources said Israel ultimately agreed only to sell the rebels captured Palestine Liberation Organization weapons, and aid from South Korea and Taiwan came from private businessmen and an anticommunist organization with close ties to those governments.

National security affairs adviser Robert C. McFarlane has denied that his staff violated the ban but has ignored a congressional request for documents on NSC contacts with the rebels. As for White House actions before October 1984, McFarlane said, "We did not solicit funds or other support for military or paramilitary activities either from Americans or third parties."

Several sources said McFarlane's statement is technically correct because private citizens in this country and "third parties" in allied countries "volunteered" help supply the rebels.

One source who was close to the program said the plan for accepting the offers was prepared by Lt. Col. Oliver L. North, a deputy director for political-military affairs on the NSC staff. The source said North presented a brief memo that was backed by related correspondence and biographies of some private individuals.

According to this account, which was supported by two administration officials:

McFarlane reviewed the plan with top NSC officers and White House legal counsel who concluded that creation of the outside aid network violated no laws, if done carefully.

But fearing the plan's disclosure, McFarlane chose to outline it to the president orally at a regular morning briefing. Reagan approved the plan. North was to implement it.

All three sources said creation of the aid network came at about the time of congressional protest in April 1984 over the CIA's mining of Nicaragua's harbors. They did not offer precise dates.

Singlaub, who resigned from the Army in 1978, was selected as the chief "authorized" contract for private fund-raising because of his military background and international connections, the sources said.

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8 October 1985

White House linked to private Contra aid plan

ASSOCIATED PRESS

Facing a congressional cutoff of military aid to anti-Sandinista Nicaraguan rebels early last year, President Reagan approved a plan to replace CIA funds with assistance from American citizens and U.S. allies, say current and former administration officials.

White House officials selected retired Army Maj. Gen. John K. Singlaub as chief fund-raising contact and advised him how to structure the campaign to make sure it conformed to the law.

White House spokesman Ed Djerejian declined to comment on Mr. Reagan's reported approval of the plan to enlist private contributions to continue to supply the Nicaraguan resistance.

The White House said it neither encouraged nor discouraged the private fund-raising efforts that sprang

up after Congress — angered by the CIA's mining of Nicaragua's harbors — refused to continue military aid to the rebels in the spring of 1984. Congress later changed its mind and restored humanitarian aid to the resistance.

Government sources, including one senior administration official, describe the behind-the-scenes White House role in organizing and advising the aid network as much more extensive than has been previously described.

The aid network — particularly a recent surge of arms and money from allied countries — has allowed the rebels to continue military operations during the 15-month cutoff of direct U.S. assistance.

Rebel leaders now say they have enough weapons to arm a 30,000-man force, roughly double their current number.

One source, familiar with the program, said the "big three" countries that were expected to aid the rebels were Israel, South Korea and Taiwan.

Representatives of those governments deny helping the rebels.

Three congressional committees are reviewing whether White House National Security Council officials violated a year-old ban against "directly or indirectly" aiding the rebels militarily. But officials said the White House role in establishing the aid network ended by Oct. 1, 1984, when that ban was enacted. Last July, Congress voted \$27 million in non-lethal aid to the resistance.

National security adviser Robert C. McFarlane said his staff did not violate the ban.

As for White House actions prior to October 1984, Mr. McFarlane said: "We did not solicit funds or other

support for military or paramilitary activities either from Americans or third parties."

Several sources said Mr. McFarlane's statement is technically correct because private Americans and "third parties" in allied countries volunteered to help supply the rebels.

One source who was close to the program said the plan for accepting the offers was prepared by Lt. Col. Oliver L. North, a deputy director for political-military affairs on the NSC staff.

According to this account, which was supported by two administration officials, Mr. McFarlane reviewed the plan with top NSC officers and White House legal counselors who concluded that creation of the outside aid network, if done carefully, violated no laws. Mr.

McFarlane outlined the plan to the president at a regular morning briefing and Mr. Reagan approved it. Col. North was chosen to implement it.

One official, speaking for the White House but insisting on anonymity, said Col. North did not play "an advocacy role" nor did he urge that private fund-raising efforts "be allowed to move forward." He said it was possible that Mr. Reagan and Mr. McFarlane talked about how to help the rebels in the face of the congressional aid cutoff.

In an affidavit, former rebel leader Edgar Chamorro said that in early 1984, White House representatives, including Col. North, assured the largest rebel army, the Nicaraguan Democratic Force, or FDN, that aid would continue whatever Congress did. The White House

sources said Col. Singlaub was selected as the chief "authorized" contact because of his military background and international connections.

Gen. Singlaub, who left the Army in 1978 after challenging President Carter's plan to withdraw U.S. forces from South Korea, emerged as the principal fund-raiser for the rebels and was cited as vital in that effort by Adolfo Calero, head of the FDN.

Gen. Singlaub earlier said that after Congress enacted the law against U.S. officials "directly or indirectly" aiding the rebels militarily, he called Col. North and sought guidance on whether the fund-raising plans were compatible with administration policy.

Gen. Singlaub estimated that he raised \$500,000 a month for the rebels, largely through domestic and international contacts of two groups he heads. Gen. Singlaub did not return two recent phone calls placed to his Colorado office.